

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6048

BILL NUMBER: SB 161

NOTE PREPARED: Mar 22, 2006

BILL AMENDED: Feb 13, 2006

SUBJECT: Moratorium on Comprehensive Care Beds.

FIRST AUTHOR: Sen. Miller

FIRST SPONSOR: Rep. T Brown

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill imposes a moratorium on the construction or addition of comprehensive care beds through June 30, 2007, with certain exceptions. (The introduced version of this bill was prepared by the Health Finance Commission.)

Effective Date: July 1, 2006.

Explanation of State Expenditures: The State Department of Health reported that the administration of a moratorium on the licensure of new nursing facility beds or facilities could be accomplished within the existing budget parameters. The bill also prohibits the Indiana Health Facilities Council from certifying new or converted comprehensive care beds for participation in the Medicaid reimbursement program through June 30, 2007. This bill would exempt hospitals and health facilities under development on June 30, 2006, from the moratorium. The Department would likely hold applications for new licenses and Medicaid or Medicare certifications for affected facilities until the expiration of the moratorium on June 30, 2007.

Explanation of State Revenues: Depending on the number of applications held, license fee revenues would not be collected for any new beds or facilities during the one-year moratorium. A nursing facility pays a \$200 fee for the first 50 additional beds and \$10.00 for each bed in excess of 50. This bill does not affect the renewal of existing licenses.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Health; Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources: State Department of Health.

Fiscal Analyst: Kathy Norris, 317-234-1360.